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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

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20 November 1961

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE



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Summary of Events
3-16 November 1961

Cuba is now suffering from the full impact of its drastic economic reorganization. The country is, however, accorded priority in Bloc foreign economic deliveries, and with this support the continuing viability of its economy seems assured.

Cyprus reportedly has accepted a Polish credit of \$3.4 million for partial assistance in the construction of port works at Famagusta. If this report is true, Poland will be the first Bloc country to participate in the development program of Cyprus.

Soviet and Czechoslovak economic aid agreements with the Somali Republic provide for at least \$57 million in credits and grants. Of the approximately 40 projects that the government intends to implement with foreign aid from all sources, more than half will be undertaken with Bloc assistance.

Soviet arms deliveries of 600 tons and 300 tons have been made to Guinea and Morocco, respectively. [REDACTED]

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On 2 November, Poland reportedly extended a credit of \$7.5 million to Mali. Total Bloc credits to Mali now amount to at least \$64.4 million.

On 30 October, Czechoslovakia extended a credit of \$10 million to Tunisia, raising the total of Bloc economic credits to \$45.5 million.

The agreement of 15 October between Communist China and Nepal provides (under a Chinese grant of \$9.8 million) for the construction of a road from Katmandu to the Tibetan border. In order to finance the local costs of the Soviet aid program in Nepal, the USSR will supply consumer goods valued at about \$1.5 million.

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Recent Yugoslav efforts to obtain economic credits from the Bloc probably are the result of severe agricultural setbacks as well as apprehension that Free World aid programs will be reduced because of Yugoslavia's pro-Soviet position at the Belgrade Conference. No agreements with the Bloc have been reached, however, and the Bloc may be reluctant to help alleviate Yugoslavia's current economic difficulties.

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